

Rockville Commission on the Environment

Issue Analysis for Mayor and Council:

Stormwater Management Funding

February 10, 2004

Background:

Our current funding mechanism for stormwater management (SWM) improvements and stream restoration projects is dependent on permit and waiver fees from development applications. This funding will not be sufficient to meet the needs identified in our watershed management plans as our current large development phase ends. In addition, the diminishing size of the fund will not be adequate to cover the ongoing maintenance and repair work associated with the City's upkeep of stormwater management ponds and stream restoration infrastructure, nor will there be any long-term funding mechanism to cover new initiatives as we evaluate our success and update watershed management programs to keep pace with new science, technology and regional initiatives.

Further, the SWM fund does not cover conventional stormdrain conveyance system maintenance and repair work, as stipulated in City Code. As this infrastructure ages and needs increasing maintenance and repair, the costs are placing a greater burden on general revenue funds. Certain elements of the conventional stormdrain system, if left to deteriorate, could have a detrimental effect on the health and habitat quality in the City's remaining natural streams.

The Commission on the Environment has been asked to provide a recommendation on the use of the stormwater management fund for maintenance and repair of the existing stormdrain conveyance infrastructure. This issue is integrally related to the long-term funding implications for the stormwater fund and its intended use for stormwater management and ecological restoration of stormwater impacts.

Situation Analysis:

Maintenance and repair work on storm drains and conveyance infrastructure constitutes an ongoing and costly responsibility for the municipal government. Projects range in scale and nature from large repair efforts such as relining of the 90 inch storm drain at the Congressional Towers building to routine cleaning and maintenance of system components. The SWM fund, as enumerated in the city code, section 19-50, may be used for land acquisition, or:

"The study, design, purchase, construction, expansion, repair, maintenance, landscaping, and/or inspection of: a. Public stormwater management facilities; b. Stream restoration projects; c. Storm drain outfall stabilization or repair; d. Or other watershed improvement projects."

City code further states that:

"Monetary contributions shall not be used for construction, maintenance or repair of conventional storm drain systems."

The Commission on the Environment takes the position that the SWM fund is to be used to implement environmentally sound storm water management projects such as, but not limited to, on-site management or retention facilities and stream and wetland restoration projects. We note that any use of the fund for maintenance and repair of the stormdrain conveyance system, such as the Congressional Towers stormdrain relining, is proscribed by the language cited above and will inhibit the implementation of the intended types of best management practices. We believe that there is a significant distinction between the type of projects that should be funded through a stormwater fund, with the intent to improve watershed integrity and aquatic health, versus the ongoing maintenance and repair of a conventional stormdrain conveyance system. There may be components of the conveyance system that would be appropriate to manage through a stormwater

fund, such as “piped” stream systems with baseflow that were once naturally flowing drainage courses, and stormdrain outfalls that are directly causing stream channel erosion. These repairs could be more directly related to an environmental restoration problem that can affect downstream water and stream habitat quality. If these piped stream systems and outfalls fail, they have a high probability of sending sediment loads down to stream channels.

Recent watershed studies have demonstrated a large and ongoing need for stormwater management projects. However, projections of the funding likely to be available for that purpose under the current tax and development fee rules suggest that funds will be exhausted within ten years unless new revenue sources are harnessed, notwithstanding expansion of the fund to include any potential components of the stormdrain conveyance system.

Many other communities have faced this same predicament, and have solved it by enacting a stormwater management fee, typically assessed on property owners in some relation to the amount of impervious surface on their property, or as a per residential unit fee. This has the advantage of tying the source of the problem to the source of revenue. Montgomery County adopted a ‘water quality protection charge’ that is charged to property owners with the proceeds devoted to various SWM programs in 2001. Takoma Park adopted a SWM fee in 1998.

A number of details would need to be worked out to implement this approach, which will require greater analysis, including a detailed evaluation of the program elements that should be funded through such a fee, and the proper rate structure, based on quantifiable program costs.

Conclusions:

The Commission on the Environment takes the position that charges to developers should be set at a level sufficient to cover the cost of all SWM investments needed to properly handle storm events on and related to their developments. We further believe that a new SWM funding mechanism should be developed and implemented to pay for a broad range of SWM programs. This fee should be set at a level sufficient to pay for both installation and maintenance of all appropriate SWM infrastructure. Until this new fund is enacted we support the current ban on the use of the existing SWM fund to pay for stormdrain maintenance and conveyance.

Recommendation:

The Commission recommends that the proper use of the existing SWM fund is to implement environmentally sound and sustainable stormwater management projects, and that the funds should not be diverted for stormdrain maintenance or repair expenditures.

The Commission recommends that a long-term funding mechanism for Storm Water Management be established. A study should examine the technique for doing so. We further recommend that this fee be set at a level sufficient to meet all of Rockville’s SWM needs.

Information Sources:

1. Brief powerpoint overview: http://www.wm.edu/environment/REU/REU_Research/REU_03b.ppt
2. Issue analysis: <http://stormwaterfinance.urbancenter.iupui.edu/PDFs/Treadway.pdf>
3. Takoma Park Q&A: <http://207.176.67.2/finance/documents/swques.html>
4. Montgomery County issue paper, 1999:
www.montgomerycountymd.gov/deptmpl.asp?url=/content/dep/stormwater/funding.asp#Next%20Steps
5. Montgomery County bill enacting an SWM funding mechanism:
<http://www.montgomerycountymd.gov/mc/council/bills2000/28-00e.pdf>
6. Rockville DPW and Finance Dept. Cash Flow Projections for the SWM Fund